

**NORTH LITTLE ROCK
WASTE WATER TREATMENT COMMITTEE**

MINUTES OF A MEETING HELD TUESDAY, NOVEMBER 9, 2010

A meeting of the North Little Rock Waste Water Treatment Committee was held on Tuesday, November 9, 2010 at the administrative offices located at the Faulkner Lake Treatment Plant.

The meeting was called to order by Chairman Matthews at approximately 12:25 p.m. Those in attendance at the meeting were: Mr. K.W. Matthews, Ms. Patti Julian, Mr. Ed Nelson, Mr. Clark McGlothlin and Mr. Sylvester Smith. Also in attendance were Mr. Gary Mills, Director, Mr. Marc Wilkins, Assistant Director, Ms. Gina Briley, Mr. Ric Roll, Mr. Bill Staggs, Mr. Vince Hotho with Garver Engineers, LLC, Mr. Mark Halter with Hilburn, Calhoun, Harper, Pruniski & Calhoun, Ltd., and Dawn Harmon.

First, the Committee reviewed the minutes of its October 12, 2010 meeting. A motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to approve the minutes of its October 12, 2010 meeting as submitted. The motion carried unanimously.

The Committee then reviewed the minutes of its November 2, 2010 special call meeting. A motion was made by Mr. Nelson, seconded by Mr. McGlothlin, to approve the minutes of its November 2, 2010 special call meeting as submitted. The motion carried unanimously.

The Committee then reviewed the voucher disbursements for October 2010. After a brief discussion, a motion was made by Mr. Nelson, seconded by Mr. Smith, to approve the voucher disbursements for October 2010 reflecting total cash disbursements of \$1,832,432.16 and transfers between accounts of \$1,683,401.15. The motion carried unanimously.

Upon motion made by Mr. Smith and seconded by Mr. Nelson, the Committee unanimously approved the Financial Statement for October 2010.

Mr. Staggs then asked the Committee to consider replacement of the flooring in the system operations building. He stated that the vinyl tile flooring in the system operations building was installed at the time of construction in 1992. The tiles began delaminating from the concrete slab about four (4) years ago and have been removed. This building now has a concrete slab as a finished floor. The staff has requested to replace the flooring in an amount not to exceed the budgeted amount of \$13,000.00 for new flooring. After discussion of various floor types, a motion was made by Mr. McGlothlin, seconded by Ms. Julian, to authorize the staff to receive bids and install new flooring in the system operations building not to exceed the budgeted amount of \$13,000.00. The motion carried unanimously.

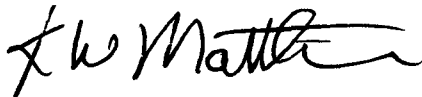
Next, the Committee reviewed a proposed draft of the 2011 Budget. Mr. Mills pointed out that the Budget includes:

- Three (3) incremental employee increases of 1 % each effective January 1, April 1 and July 1 (this plan varies slightly from what the City of North Little Rock has proposed for its employees)
- The \$800,000 contribution to the City for the Caterpillar Plant is not included (Mr. Mills informed the Committee that he does not think the City will ask for these funds since it appears the total amount spent by Caterpillar is one-half of what was anticipated)
- The Master Plan will be completed in 2010 and therefore is not included (no expense will be incurred in 2011 for the Master Plan)
- A \$100,000 line item is included for City of North Little Rock projects

The current CPI is 1 %%; therefore, a 2% inflation factor was used in preparing the 2011 Budget. After a review of same, the Committee wanted time to further review the budget before voting on same.

Mr. Mills then recapped the Consent Administrative Order. The Utility has received a revised draft of a Consent Administrative Order (CAO) from the Arkansas Department of Environmental Quality (ADEQ). The CAO includes a voluntary civil penalty amount of \$139,800.00 reduced from the previous draft amount of \$145,800.00. Following discussions with consultants, ADEQ staff and Committee members, the staff recommended entering into a CAO with ADEQ including a voluntary civil penalty in the amount of \$105,000.00. Mr. Mills stated that since the special call meeting, he has been informed that the City of Benton has been issued a CAO for overflows and their penalty was only \$13,000.00. He explained to the Committee that he still has concerns as to why the penalty assessed against the Utility is so high and would like for the EPA to give the Utility an explanation. Mr. Mills stated he will try to set up a meeting with ADEQ and possibly EPA Region 6 to try to get answers as to why the discrepancy in penalties. There being no further action to come before the Committee, a motion was made by Mr. Smith to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at approximately 1: 15 p.m.

APPROVED AS TO FORM:



K. W. MATTHEWS, CHAIRMAN

RESPECTFULLY SUBMITTED,



PATTI JULIAN, SECRETARY